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Defense sequestration would have devastating impact on Portsmouth Naval Shipyard, Pease, and New Hampshire's defense industry

April 9, 2012

WASHINGTON, D.C. – In a letter to Senate and House leadership today, U.S. Senator Kelly Ayotte (R-NH), Rep. Charles F. Bass (R-NH), and Rep. Frank Guinta (R-NH), urged leaders of both parties to work together to prevent automatic, across-the-board defense sequestration cuts that Secretary of Defense Leon Panetta has said would "inflict severe damage to our national defense for generations."

"All totaled, defense sequestration would result in an approximately \$1 trillion cut in defense spending over the next decade," Ayotte, Bass, and Guinta wrote. "This reduction would jeopardize our national security, deprive our warfighters of the resources they need, and inflict severe damage upon our defense industrial base. No state's defense installations would be immune, including those vital to the state of New Hampshire – the Portsmouth Naval Shipyard and Pease Air National Guard Base."

If defense sequestration cuts are implemented, Secretary Panetta estimates that the U.S. would have the smallest ground force since 1940, the smallest number of ships since 1915, and the smallest Air Force in its history. The Chief of Naval Operations testified recently that defense sequestration will cause the Navy to slash approximately 50 ships and submarines from the naval inventory, resulting in a 235-ship Navy that is 78 fewer ships than the Navy has said our national security requires. In addition, defense sequestration could result in the procurement of fewer KC-46A tankers or the outright cancelation of the program, which could endanger Pease's future. According to one study, sequestration could cost 3,300 jobs in New Hampshire's defense industrial base.

AYOTTE/BASS/GUINTA LETTER TO CONGRESSIONAL LEADERS:

Dear Leader Reid, Leader McConnell, Speaker Boehner, and Leader Pelosi:

On behalf of the people of New Hampshire, we are committed to working together to prevent the devastating across-the-board defense sequestration cuts that are scheduled to begin in January 2013. The inability of the "super committee" to find \$1.2 trillion in savings will force the Department of Defense (DoD) to absorb \$492 billion (\$600 billion including debt service) in reductions – which is in addition to the \$487 billion in reductions that DoD is already implementing.

While the defense budget only accounts for approximately 19 percent of federal spending, defense will absorb 50 percent of the sequestration cuts. This will amount to an additional \$55 billion annual cut in the defense budget over the next nine years. All totaled, defense sequestration would result in an approximately \$1 trillion cut in defense spending over the next decade. This reduction would jeopardize our national security, deprive our warfighters of the

resources they need, and inflict severe damage upon our defense industrial base. No state's defense installations would be immune, including those vital to the state of New Hampshire – the Portsmouth Naval Shipyard and Pease Air National Guard Base.

While the defense sequestration cuts will not begin until January, the uncertainty regarding defense sequestration is exacerbating DoD efforts to plan next year's defense budget. As we are hearing daily from our constituents, this uncertainty at DoD is having a chilling effect on DoD contracting—putting companies at risk and potentially leading to employee layoffs. For these reasons, as well as the difficulties facing a congressional lame duck session, we cannot afford to wait until December to act to prevent these draconian cuts from occurring.

The testimony of our senior DoD leaders leaves little doubt regarding the impact of the defense sequestration cuts. Secretary of Defense Leon Panetta has said these reductions would "inflict severe damage to our national defense for generations." These comments have been echoed by all of our service secretaries and chiefs of staff. Secretary Panetta has also stated that such reductions would leave our nation with the smallest ground force since 1940, the smallest number of ships since 1915, and the smallest Air Force in our history.

Defending our country represents the federal government's primary constitutional responsibility, and our military leaders have consistently testified that threats to our national security have increased, not decreased. Yet, in this national security context, defense sequestration would reduce our military capabilities, harm our military readiness to respond to future contingencies, and break faith with our troops. To replace these dangerous cuts and avert a national security crisis, we ask you to work with us to identify responsible spending reductions elsewhere in the federal budget, including through the consolidation of duplicative programs and the termination of wasteful, inefficient, or low priority spending.

The impending defense sequester is not a Democratic concern or a Republican concern. It is an American concern, and we hope you will join with us to resolve this difficult, but solvable situation.

Thank you for your consideration of our letter, and for your continued leadership in the Senate and the House of Representatives.

Sincerely,

U.S. Senator Kelly Ayotte
U.S. Rep. Charles F. Bass
U.S. Rep. Frank Guinta

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